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MID-WISCONSIN BANK

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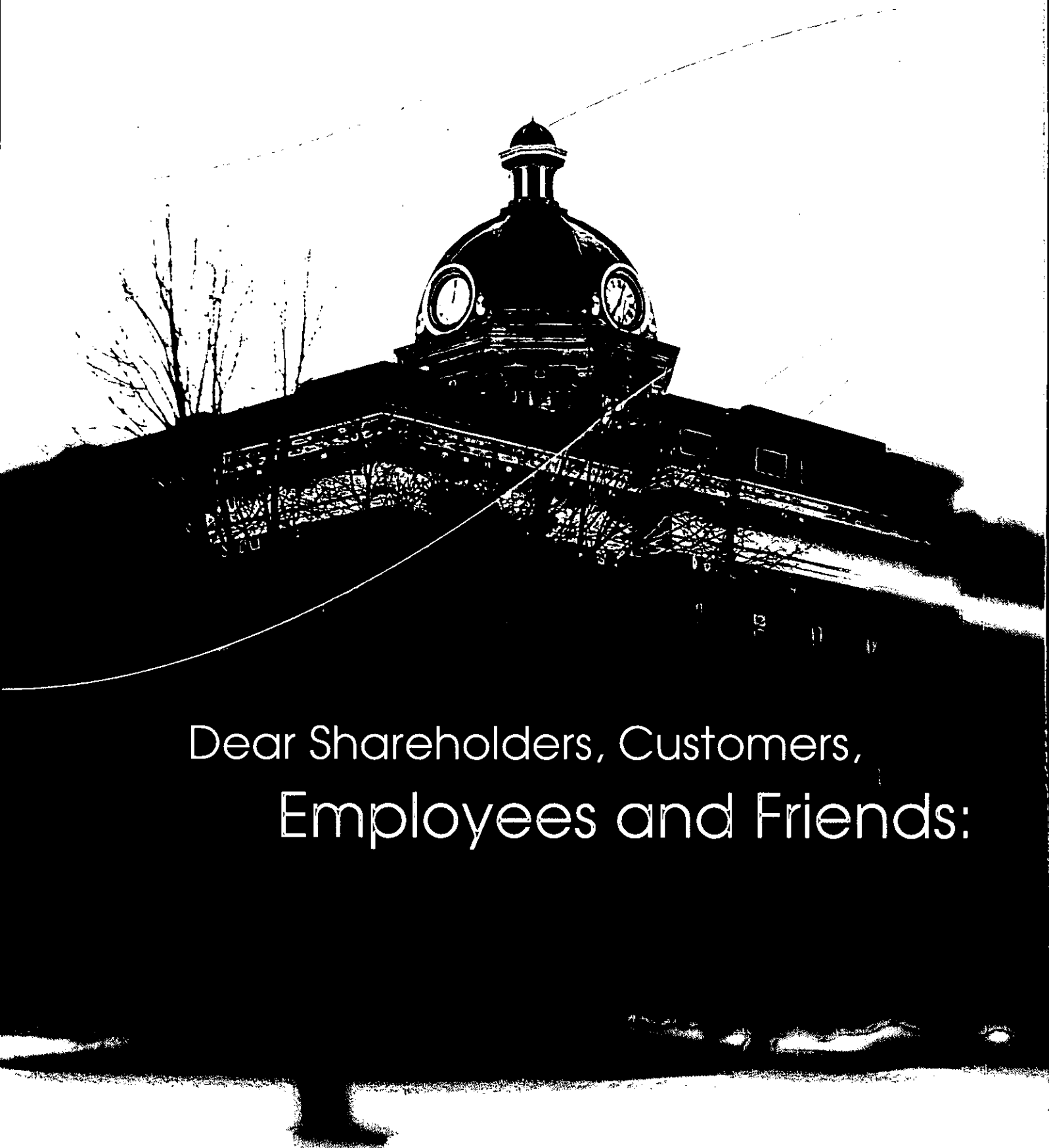
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2006 Summary Annual Report



WISCONSIN
serv

Taylor County Courthouse
Medford, Wisconsin



Dear Shareholders, Customers,
Employees and Friends:

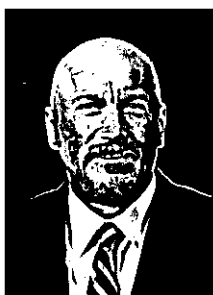
2006 was an eventful year for Mid-Wisconsin Financial Services, Inc. (MWFS).

In December, Mr. Norm Hatlestad retired from the Board of Directors after 25 years of service. We thank him for his dedication and many years of service to MWFS.



Norm Hatlestad

In conjunction with this retirement, in December, Fredrick T. Lundin, CPA, was appointed to the Board of Directors. Mr. Lundin is a well-known respected business leader in the Wausau community. His financial and accounting expertise will be a valuable asset to the Board, and his ties to the Wausau business community will be instrumental in supporting our staff in that marketplace. We are extremely pleased to have Mr. Lundin join our Board.



Fredrick T. Lundin

Over the last few years, competition in the financial services industry has become much tougher with more competitors all wanting a piece of the pie. As a result, industry margins have compressed, resulting in lower returns. The Board believes that controlled profitable growth and increased efficiency are key to our future success.

The larger the base we have to work from and the more efficient we can become will enable us to be more competitive and provide the innovative services our customers require and the financial returns our shareholders expect.

The Board recognizes that what we have done in the past will not carry us into the future. Over the last two years, the Board has established plans to transform MWFS into a high-performing financial institution. In 2006 we added

experienced leadership to the management team to help drive our growth initiatives and strengthen overall corporate governance. Our commitment to excellence will require continued investment in technology, products, services, and most importantly, in the talented people required to face the challenges that lie ahead.

In 2006 our earnings were affected by a large non-performing commercial loan booked in the third quarter of 2005. This was an isolated incident and is not reflective of the overall quality of our loan portfolio. Historically our loan losses have been very low, and in this case, we have taken a conservative approach in protecting our earnings. New internal controls have been implemented to further strengthen our lending processes. Be assured that Mid-Wisconsin remains a well-capitalized institution in the eyes of our regulators.

With conservatively managed growth and profitability, we will continue our plans to build a stronger, larger high-performing financial services organization capable of meeting the competition head on. We will continue to expand our presence in the Northwoods and the Wausau marketplace.

Thank you for your continued support of Mid-Wisconsin Financial Services, Inc. and Mid-Wisconsin Bank. On behalf of the Board, we value the trust you have placed in us and the opportunity you have given us to take our company to new heights. We serve with pride in this organization and will continue to work diligently for your interests.

Sincerely,

A handwritten signature in dark ink, appearing to read "Kim A. Gowey".

Dr. Kim A. Gowey
Chairman of the Board

A handwritten signature in dark ink, appearing to read "James F. Warsaw".

James F. Warsaw
President and CEO

Board Members



Dr. Kim Govey
Chairman of the Board
Cosmetic &
Implant Dentistry
of Wisconsin
1999



James Hager
Manager, Harmony
Cooperative
1998



Brian Hallgren
Vice President,
B&B Engineering
2000



Kathryn Hemer
Family Nurse
Practitioner,
Medford Clinic
1999



Fredrick Lundin, CPA
Owner, Koenig
& Lundin, S.C.
2006



James Melvin
Vice Chairman
of the Board
President,
Melvin Companies
1992



Kurt Mertens
Secretary/Treasurer,
Loos Machine, Inc.
1996

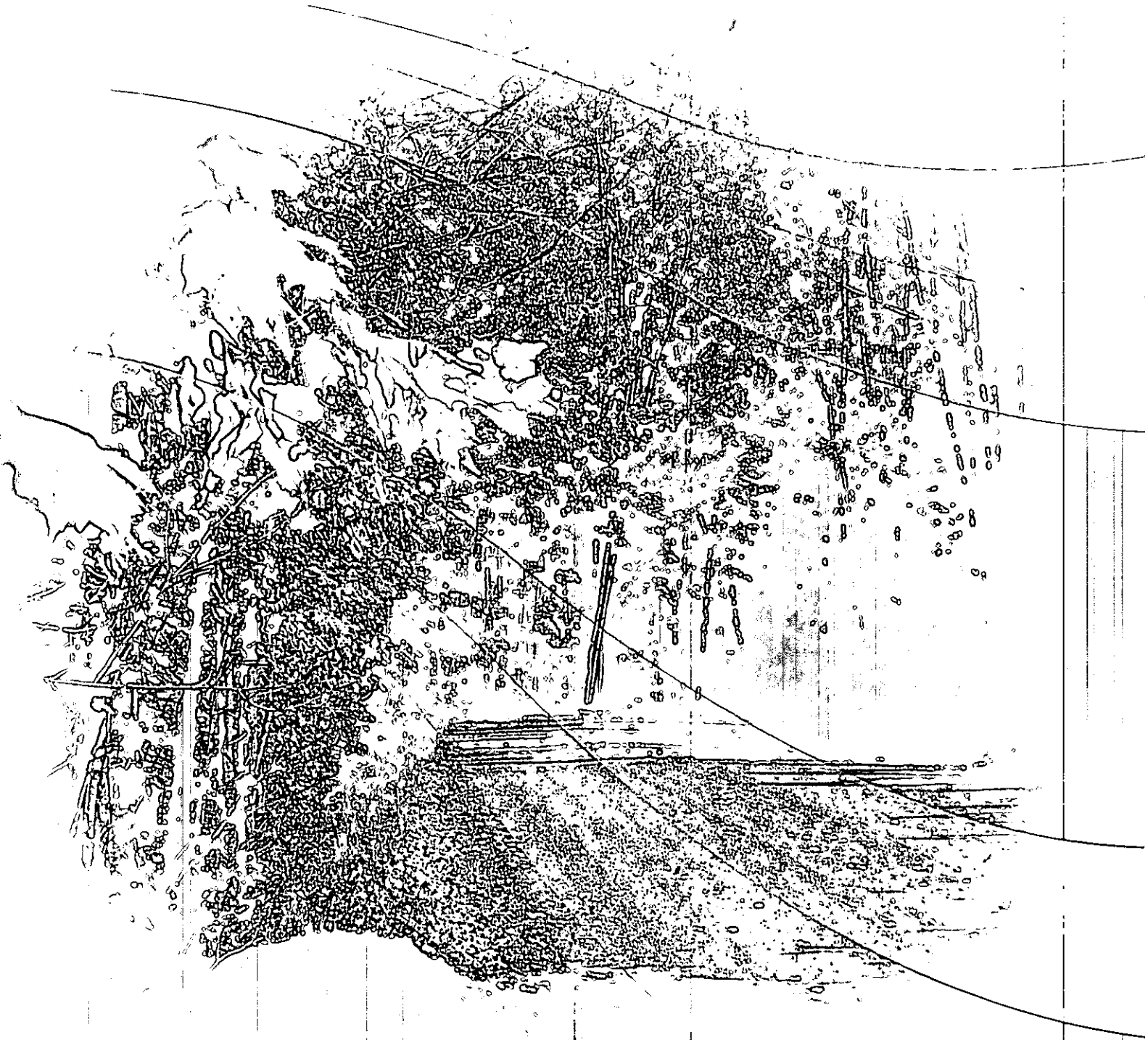


Robert Schoofs, CPA
Vice President,
Administration
Clasen Quality
Coatings, Inc.
2000



James Warsaw
President & CEO,
Mid-Wisconsin
Financial Services and
Mid-Wisconsin Bank
2005

**Our Board of
Directors provides
strategic guidance
and support to our
management team
and organization.**



The Road Ahead

The Road Ahead

Our journey on the road to becoming a high-performance company has many challenges. The staff, management team and directors of Mid-Wisconsin are committed to remaining a strong independent community banking organization. In order to reach our goals, we will continue to strengthen our team by adding talented people and providing them with the resources they need to meet the challenges that lie ahead.

In 2006 we achieved double digit growth in loans and deposits in the face of increasing price competition in our marketplace. To meet our growth goals and maintain profitability will require increased efficiency. Expanding our relationships with our customers to handle all of their financial needs will help us reach this goal.

Efficiency and conservatively managed growth should result in the strong financial performance we desire. In 2007 we will continue making investments in our technology and strengthening our employees' ranks to position the Company for future success.

All publicly traded financial service providers have had to adjust to the new challenges presented by an ever-changing regulatory environment. The Sarbanes-Oxley legislation has added significantly to the regulatory burden and expense for Mid-Wisconsin as a SEC reporting company.

New Location
Minocqua, Wisconsin

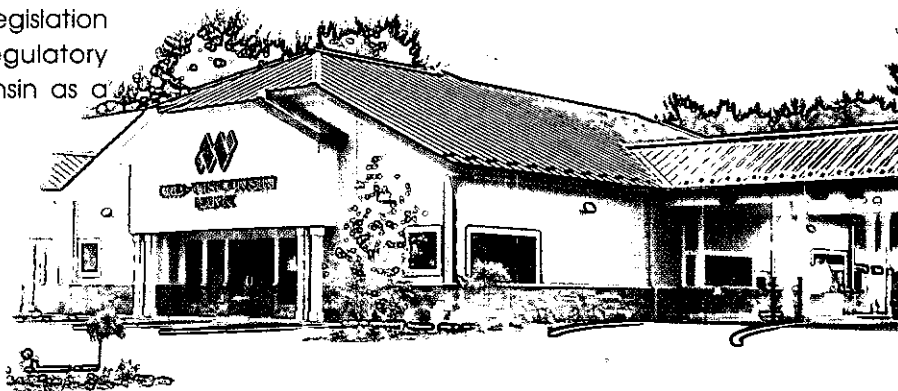
Leadership Performance

Leadership is key to the continued development of Mid-Wisconsin. Over the past year and a half we have substantially strengthened our executive management team with the addition of a new Chief Financial Officer, a new President of our Wealth Management Services Group and a Regional President of Banking for our eastern region. These personnel changes enabled us to become more focused on achieving our key corporate initiatives.

In October 2006, Paul H. Ewig joined us as our CFO. Prior to joining Mid-Wisconsin, Paul served in key executive management positions with larger publicly-traded financial services companies. His level of experience will serve us well in establishing "best practices" in monitoring risk management, directing corporate accounting functions, assuring regulatory financial compliance and providing guidance in overall corporate governance.



Paul H. Ewig



Bill Weiland, as our Executive Vice President, has overseen our recent branch expansion, marketing initiatives and supervised our Wealth Management Group. Bill has become the Regional President of Banking for our central region which includes all locations along the State Highway 13 Corridor and US 10. In addition, he serves as Market President for Medford and is responsible for expanding market share in all of these areas.



William Weiland
Regional President
of Banking - Central
Region

Scot Thompson joined our team in February 2007 as Regional President of Banking responsible for overseeing all banking operations of our eastern region, which includes all banking operations along US 51 including our Northwoods markets. Scot serves as Market President for our Wausau area marketplace. He is an experienced commercial banker with proven sales and marketing skills. Prior to joining us he served in similar capacities for banking organizations in North Dakota and most recently Central Wisconsin and the upper peninsula of Michigan.



Scot Thompson
Regional President
of Banking - Eastern
Region

John W. Lohre, a Wisconsin native, joined our team in February 2007 as President of our Wealth Management Services Group. John is an attorney and has held similar senior management positions in the trust and investment departments of publicly traded companies as well as community banking organizations in central Wisconsin.



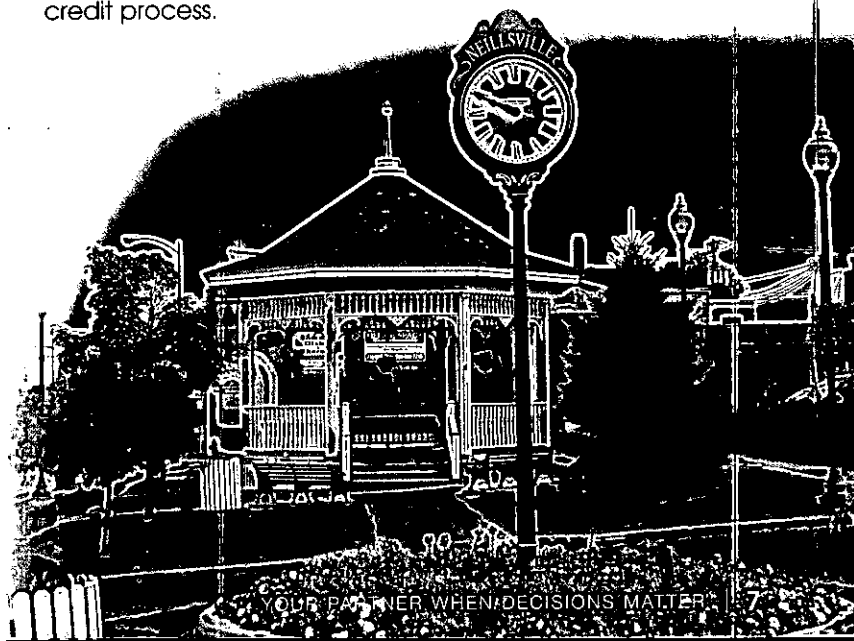
John Lohre
Wealth Management
Services Group
President

Gene Knoll has become our Chief Credit Officer and is responsible for maintaining a prudent and efficient credit process that is both responsive and effective in meeting the needs of our customers and lending staff. In view of our growth strategies and recent events, maintaining asset quality is a major initiative of our company and a principal measure of our primary source of income. Gene will monitor all credit approvals, implement internal controls within the loan processing areas and work on special projects related to our credit process.



Gene Knoll
Chief Credit Officer

Gazebo
Neillsville, Wisconsin



Eagle River, Wisconsin



SNOWMOBILE CAPITAL
of the WORLD

New
Marketplaces



New Marketplaces

During 2006 Mid-Wisconsin expanded our footprint in the Northwoods with the opening of a new full-service branch in Minocqua, which has exceeded our expectations. In the fourth quarter, we announced plans to open a new full-service branch in Eagle River in April 2007. This branch will be managed by Larry Snedden. Larry has been a Commercial Lender in our Rhinelander location for the past eight years and is now being given the opportunity to expand our marketplace to Eagle River, his hometown. His familiarity and business connections in the community, coupled with our reputation as a responsive financial institution, should provide a solid foundation from which to build Mid-Wisconsin's reputation and base of business in the Eagle River community.

We believe our markets in Wausau, Weston, Rhinelander, Minocqua and Eagle River offer Mid-Wisconsin a great growth opportunity. We will focus all aspects of our business – the delivery of commercial banking, consumer financial services, and Wealth Management Financial Services – to meet our customers' needs.

Mid-Wisconsin's Wealth Management services sets us apart in all of the markets we serve. No other community banks offer the breadth and experience of delivering insurance and investment services, nor do they offer trust services in our markets. This offering allows our customers to maintain a financial relationship with Mid-Wisconsin throughout their life cycle, whether it be loans to purchase their first home or financing the growth of their family business, creating a savings plan to educate their children, creating wealth for retirement or managing their estate for their heirs. Mid-Wisconsin can do it all!

New Opportunities

To remain competitive, Mid-Wisconsin must continually develop and deliver innovative financial services to meet the needs of our customers. In 2006 we introduced a new Overdraft Privilege program which protects customers from embarrassment should they make an error in managing their checking

Mondeaux Dam,
Chequamegon
National Forest



accounts. Also, we introduced a new service for commercial clients called Merchant Deposit Capture, which enables merchants to electronically deposit checks to their accounts without having to make the trip to the bank, thereby improving the speed of collection and availability of funds.

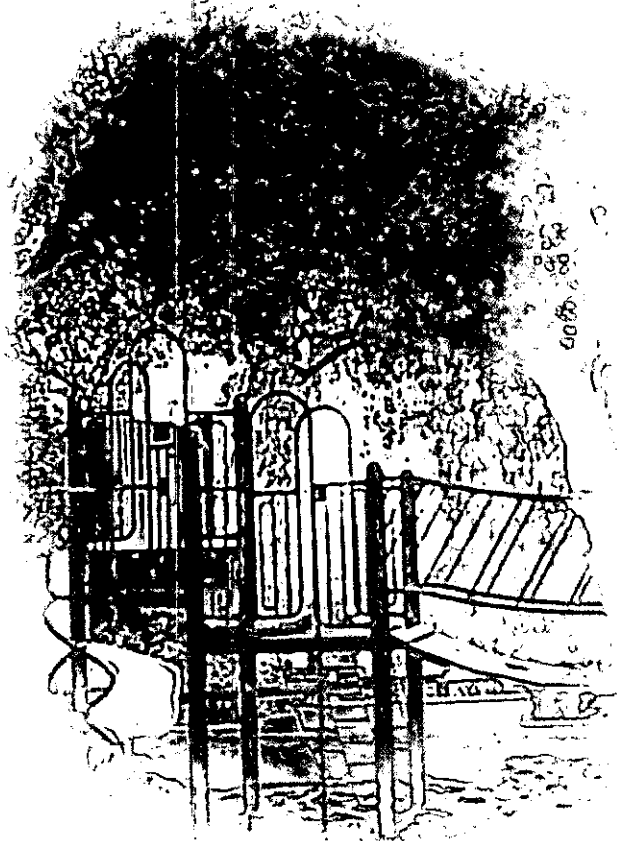
Mid-Wisconsin prides itself on being a leader in offering new services that help make managing finances easier for individuals and business owners in our communities. We continue to offer Information Technology services to select clients in our markets as a means of offsetting the cost of maintaining a highly qualified staff of computer technicians that support our technology initiatives. After all, we are committed to being: *Your partner when decisions matter.*

Going Forward

There will be many challenges on the road to achieving our goal of becoming a high-performance organization. Mid-Wisconsin must be positioned to be more responsive to its ever-changing environment and in meeting the increased expectations of our customers. Our size allows us to be more nimble than larger competitors, and enables us to leverage our resources for growth opportunities. The implementation of new and enhanced technologies, coupled with our well-trained and committed staff, will enable us to respond to our customers' needs and demands, thus expanding our current relationships and building new ones in new markets.

We want Mid-Wisconsin to be the preferred financial services provider in our marketplace and to be a preferred place of employment for staff members.

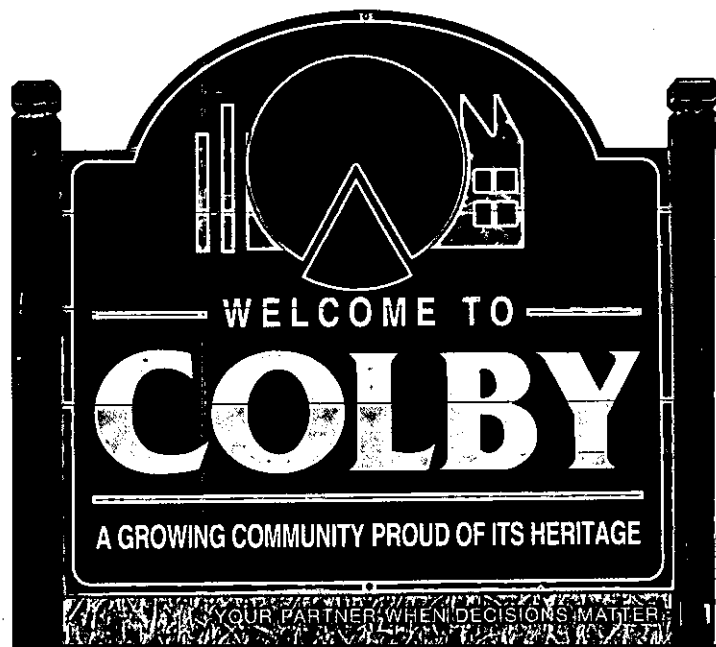
Thank you for your continued financial support!



Colby, Wisconsin

Mid-Wisconsin Foundation

Mid-Wisconsin's charitable foundation demonstrates our corporate citizenship and shows our commitment and support to the communities we serve. Donations from our foundation support the civic reputation of Mid-Wisconsin Financial Services, Inc. It is not only the donations from the Foundation that speak well of our Company. Recently our staff in Neillsville was recognized by the Chamber of Commerce for serving the most volunteer hours of all area businesses. We are all proud to represent Mid-Wisconsin in supporting the communities in which we live, work and play.



Report of Independent Registered Public Accounting Firm

Board of Directors and Stockholders
Mid-Wisconsin Financial Services, Inc.
Medford, Wisconsin

We have audited, in accordance with the auditing standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of Mid-Wisconsin Financial Services, Inc. and Subsidiary as of December 31, 2006 and 2005, and the related consolidated statements of income, changes in stockholders' equity, and cash flows for each of the years in the three-year period ended December 31, 2006 (not presented separately herein), and in our report dated February 20, 2007, we expressed an unqualified opinion on those financial statements.

In our opinion, the information set forth in the accompanying condensed consolidated financial statements is fairly stated, in all material respects, in relation to the consolidated financial statements from which it has been derived.



Wipfli LLP

February 20, 2007
Wausau, Wisconsin

(Dollars in thousands)

MID-WISCONSIN FINANCIAL SERVICES, INC.
AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF INCOME – YEARS ENDED DECEMBER 31, 2006, 2005, AND 2004

(Dollars in thousands, except per share amounts)

| | 2006 | 2005 | 2004 |
|---|----------------|----------------|----------------|
| Interest and dividend income: | | | |
| Loans, including fees | \$25,758 | \$20,224 | \$16,693 |
| Securities: | | | |
| Taxable | 2,501 | 2,323 | 2,463 |
| Tax-exempt | 906 | 936 | 992 |
| Other | 454 | 467 | 90 |
| TOTAL INTEREST AND DIVIDEND INCOME | 29,619 | 23,950 | 20,238 |
| Interest expense: | | | |
| Deposits | 11,033 | 6,087 | 4,121 |
| Short-term borrowings | 945 | 809 | 309 |
| Federal Home Loan Bank borrowings | 1,460 | 1,754 | 1,673 |
| Subordinated debentures | 614 | 131 | 0 |
| TOTAL INTEREST EXPENSE | 14,052 | 8,781 | 6,103 |
| Net interest income | 15,567 | 15,169 | 14,135 |
| Provision for loan losses | 5,133 | 342 | 215 |
| Net interest income after provision for loan losses | 10,434 | 14,827 | 13,920 |
| Non-interest income: | | | |
| Service fees | 1,111 | 895 | 844 |
| Trust service fees | 917 | 909 | 753 |
| Investment product commissions | 334 | 261 | 408 |
| Other operating income | 1,086 | 1,247 | 1,016 |
| TOTAL NON-INTEREST INCOME | 3,448 | 3,312 | 3,021 |
| Non-interest expenses: | | | |
| Salaries and employee benefits | 7,372 | 6,614 | 5,847 |
| Occupancy | 1,681 | 1,377 | 1,231 |
| Data processing and information systems | 734 | 524 | 398 |
| Purchased core deposit amortization | 0 | 231 | 332 |
| Loss on sale of securities available for sale | 0 | 4 | 0 |
| Other operating expenses | 2,959 | 2,726 | 2,464 |
| TOTAL NON-INTEREST EXPENSES | 12,746 | 11,476 | 10,272 |
| Income before provision for income taxes | 1,136 | 6,663 | 6,669 |
| Provision for income taxes | 41 | 2,275 | 2,193 |
| NET INCOME | \$1,095 | \$4,388 | \$4,476 |
| NET INCOME PER COMMON SHARE: | | | |
| BASIC EARNINGS PER SHARE | \$0.67 | \$2.57 | \$2.65 |
| DILUTED EARNINGS PER SHARE | \$0.66 | \$2.57 | \$2.64 |

**MID-WISCONSIN FINANCIAL SERVICES, INC.
AND SUBSIDIARY**

SELECTED FINANCIAL DATA – YEARS ENDED DECEMBER 31

(Dollars in thousands, except per share amounts)

| | 2006 | 2005 | 2004 | 2003 | 2002 |
|---|-----------|-----------|-----------|-----------|-----------|
| RESULTS OF OPERATIONS: | | | | | |
| Interest income | \$29,619 | \$23,950 | \$20,238 | \$19,962 | \$21,385 |
| Interest expense | 14,052 | 8,781 | 6,103 | 6,864 | 7,582 |
| Net interest income | 15,567 | 15,169 | 14,135 | 13,098 | 13,803 |
| Provision for loan losses | 5,133 | 342 | 215 | 457 | 625 |
| Net interest income after provision for loan losses | 10,434 | 14,827 | 13,920 | 12,641 | 13,178 |
| Non-interest income | 3,448 | 3,312 | 3,021 | 2,981 | 2,676 |
| Non-interest expenses | 12,746 | 11,476 | 10,272 | 10,020 | 9,588 |
| Income before income taxes | 1,136 | 6,663 | 6,669 | 5,602 | 6,266 |
| Provision for income taxes | 41 | 2,275 | 2,193 | 1,544 | 1,783 |
| Net Income | \$1,095 | \$4,388 | \$4,476 | \$4,058 | \$4,483 |
| Return on average assets | 0.25% | 1.06% | 1.16% | 1.10% | 1.30% |
| Return on average equity | 3.07% | 12.04% | 13.01% | 12.44% | 14.56% |
| Equity to assets | 7.41% | 8.74% | 8.78% | 9.00% | 8.75% |
| Net interest margin | 3.83% | 4.03% | 4.03% | 3.97% | 4.43% |
| AVERAGE BALANCE SHEET: | | | | | |
| Loans net of unearned income | \$330,490 | \$298,026 | \$276,755 | \$263,764 | \$243,597 |
| Assets | 440,865 | 412,526 | 387,216 | 367,412 | 344,815 |
| Deposits | 332,955 | 295,522 | 285,685 | 280,215 | 257,356 |
| Short-term borrowings | 21,890 | 26,615 | 20,525 | 13,177 | 22,095 |
| Federal Home Loan Bank borrowings | 35,993 | 48,260 | 43,478 | 38,170 | 31,027 |
| Stockholders' equity | 35,642 | 36,437 | 34,397 | 32,618 | 30,790 |
| ENDING BALANCE SHEET: | | | | | |
| Loans net of unearned income | \$351,447 | \$310,370 | \$284,141 | \$269,105 | \$254,939 |
| Assets | 460,651 | 427,389 | 410,817 | 375,225 | 368,040 |
| Deposits | 342,253 | 312,653 | 303,387 | 287,649 | 274,492 |
| Federal Home Loan Bank borrowings | 38,428 | 44,000 | 49,000 | 40,000 | 40,000 |
| Subordinated debentures | 10,310 | 10,310 | 0 | 0 | 0 |
| Stockholders' equity | 34,133 | 37,373 | 36,084 | 33,764 | 32,186 |
| FINANCIAL CONDITION ANALYSIS: | | | | | |
| Total risk-based capital | 13.65% | 15.70% | 13.11% | 12.83% | 12.69% |
| Net charge-offs to average loans | -0.01% | 0.04% | 0.05% | 0.16% | 0.21% |
| Nonperforming loans to gross loans | 2.03% | 0.49% | 0.42% | 0.22% | 0.85% |
| Efficiency ratio | 65.68% | 60.42% | 57.96% | 59.96% | 56.05% |
| Net interest income to average assets (1) | 3.62% | 3.80% | 3.80% | 3.74% | 4.18% |
| Noninterest income to average assets | 0.78% | 0.80% | 0.78% | 0.81% | 0.78% |
| Noninterest expenses to average assets | 2.89% | 2.78% | 2.65% | 2.73% | 2.78% |
| STOCKHOLDERS' DATA: | | | | | |
| Basic earnings per share | \$0.67 | \$2.57 | \$2.65 | \$2.41 | \$2.65 |
| Diluted earnings per share | \$0.66 | \$2.57 | \$2.64 | \$2.41 | \$2.65 |
| Book value per share | \$20.82 | \$21.93 | \$21.18 | \$20.03 | \$19.11 |
| Dividends per share | \$1.28 | \$1.28 | \$1.28 | \$1.28 | \$1.28 |
| Dividend payout ratio | 191.0% | 49.8% | 48.3% | 53.1% | 48.3% |
| Average common shares outstanding – basic | 1,644 | 1,704 | 1,689 | 1,685 | 1,692 |
| Average common shares outstanding – diluted | 1,648 | 1,706 | 1,690 | 1,685 | 1,692 |
| Shareholders of record at year-end | 782 | 780 | 770 | 773 | 838 |
| STOCK PRICE INFORMATION (2) | | | | | |
| High | \$38.25 | \$35.50 | \$34.00 | \$29.00 | \$28.33 |
| Low | 35.40 | 32.90 | 28.50 | 27.25 | 26.00 |
| Market Price at year-end (1) | 37.90 | 35.40 | 34.00 | 28.50 | 27.25 |

(1) Fully taxable equivalent basis, assuming a Federal tax rate of 35% and excluding disallowed interest expense

(2) Bid price

Equal Opportunity Employer

It is the policy of Mid-Wisconsin to provide equal employment opportunities without regard to race, color, religion, sex, age, or national origin. This policy relates to all phases of employment including, but not limited to, recruitment, employment, placement, upgrading, demotion or transfer; recall and termination; rates of pay or other forms of compensation and selection for training; use of facilities and participation in all Mid-Wisconsin sponsored employee activities.

Form 10-K

A copy of Mid-Wisconsin Financial Services, Inc. Annual Report to the Securities and Exchange Commission (Form 10-K for the year ended December 31, 2006) may be obtained, without charge, by sending a written request to Paul Ewig, Mid-Wisconsin Financial Services, Inc., 132 W. State St., Medford, WI 54451. Or to view a copy of the Form 10-K, go to the Mid-Wisconsin Financial Services section www.midwisc.com.

Mid-Wisconsin Financial Services, Inc. Stock Symbol
OTC BB: MWFS.OB



• WISCONSIN
Financial Services

State Street Medford, WI 54451
0 - MID - WISC (643-9472)
www.midwisc.com

END